

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-12480 (JTD)

(Jointly Administered)

Ref. Docket No. 252

**SUPPLEMENTAL DECLARATION OF CHRISTOPHER P. MEYER IN
SUPPORT OF DEBTORS' APPLICATION FOR ENTRY OF AN ORDER
AUTHORIZING THE RETENTION AND EMPLOYMENT OF PETRILLO
KLEIN + BOXER LLP AS SPECIAL COUNSEL TO THE DEBTORS AND
DEBTORS IN POSSESSION, EFFECTIVE AS OF THE PETITION DATE**

I, Christopher P. Meyer, pursuant to section 28 U.S.C. § 1746, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am an Independent Director of Franchise Group, Inc., one of the debtors and

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors' headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

debtors in possession in the above-captioned cases (collectively, the “Debtors”).

2. I am duly authorized to make and submit this declaration (the “Supplemental Declaration”) on behalf of the Debtors to supplement the disclosures contained in my initial declaration (the “Initial Declaration”), attached as Exhibit C to the *Debtors’ Application for an Order Authorizing the Retention and Employment of Petrillo Klein + Boxer LLP as Special Counsel to the Debtors and Debtors in Possession Effective as of the Petition Date* [Docket No. 252] (the “Application”).²

3. By this Supplemental Declaration, I am further supplementing the statements set forth in the Initial Declaration to provide additional disclosure, as requested by the U.S. Trustee, in connection with the retention of Petrillo Klein + Boxer LLP (“PKB”) by the Debtors.

4. As a supplement to the matters disclosed in my Initial Declaration and in further support of the Application, I hereby disclose the following:

a. As disclosed in the paragraph 14 of the Application, PKB was initially retained by the Debtors in November 2023, at the direction of the board of directors of Franchise Group, Inc. (“FRG”), which board of directors comprised Andrew Laurence, Bryant Riley, and Brian Kahn, to investigate whether FRG or any of its directors, officers, or employees at the time (aside from Mr. Kahn) were involved in, or had any knowledge of, certain securities fraud allegations involving Prophecy Asset Management LP and FRG’s then-Chief Executive Officer, Brian Kahn. I understand that, due to the nature of the investigation, Mr. Kahn recused himself from the decision to retain PKB and any and all decisions or meetings of the Board in connection with the matters to be investigated.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Application.

b. In October 2024, after the conclusion of its initial investigation, PKB was separately retained by an independent committee of the Debtors' board of directors comprising Todd Arden, John Hartmann, and Christopher P. Meyer (collectively, the "Independent Directors") to, among other things, (a) undertake a review of (i) the Company's sale of W.S. Badcock Corporation to Conn's Inc., (ii) the management-led acquisition of the Company in August 2023, (iii) the August 2023 receivables financing transaction involving B. Riley Financial, Inc. and B. Riley Receivables II, LLC, and any other related party transaction involving B. Riley, (iv) the Company's transactions and relationship with its former CEO and controlling shareholder, Brian Kahn, (v) other transactions related to the foregoing or otherwise deemed material by the Select Independent Directors, and (vi) in the case of each of (i) through (iv), contemporaneous evidence of the Company's financial condition; and (b) assist the Independent Directors in evaluating the appropriateness of any releases of the Debtors' directors and officers in a potential chapter 11 filing and plan of reorganization by the Debtors or a potential out-of-court restructuring at the direction of the Independent Directors. None of the Debtors' other current or former directors were involved in the decision to retain PKB to investigate the Independent Director Matters in these Chapter 11 Cases.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 16, 2024

/s/ Christopher P. Meyer

Christopher P. Meyer
Independent Director of Franchise Group, Inc.
and Freedom VCM Holdings, LLC